/ August 1986

MEMORANDUM FOR THE RECORD

SUBJECT: Policy Grp Mtg - 1 Aug 86

New Retirement Administration - Policy Group Meeting

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Attending:

Bob prefaced mtg by indicating MaGee will begin OP briefing of Agency employees with a session in auditorium first of Sept. Also indicated that OP members of Working Group were also preparing briefings for Personnel Officers and others (invited OF to attend). Bob noted that MaGee is "seized" with urgency of informing Agency employees about the new systems.

Remainder of meeting was devoted to discussion of attached listing of required actions/responsibilites and related milestones and ten policy questions incident thereto. [   ] noted that   25X1
this listing represented a consensus of the thinking of the members of the new retirement administration Working Group. (NOTE: OF members of the Working Group have noted that they were not privy to the version of the proposals tabled today.) While there was a good deal of discussion on many points throughout the two hour plus meeting, key discussion centered around Section

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II, Thrift Plan, paras D, G, and H, Section III, Retirement
Functions, paras C, D, F, and G; as well as Policy Issue No 3
(which is also tied to Section III, para C issues.)

    What follows is a summary of these issues:

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o - The Working Group proposes a manual system to initially
notify OF of employee Thrift elections and deductions. They
propose to immediately begin efforts to automate this process
with what appears to be a minimum six month lead time to FOC
of the automated system. The Working Group have not worked up
any estimates of the impact on OIT (key punch) or OF resources
to handle the manual load. Nor have they seemed to make any
formal assessment of how much time, effort and money would be
required to have an automated "notification" process FOC by
1 Jan 87. However as an aside in this discussion [   ]
[   ] gave us insight into their current thinking re the Thrift
Plan which seems in part to drive this issue. Specifically they
see the Thrift Program as a separate process which is standalone
and has no links to PERSIGN or the other systems which will
support the new retirement process. They are equating the Thrift
to the VIP, both in purpose and process.

25X1
25X1

The Working Group is seeking a commercial system which will
support the Thrift Program. However this may prove more difficult

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than initially envisioned.

o - The Working Group proposes that the PAYCIARDS system be replicated and then modified to serve as the base for a new system through which all the other annuity payments may be made effective with 1 Jan 87. [   ] opined that he believed that with minimal   25X1
changes to PAYCIARDS it would be possible to meet this deadline. However he implied that changing PAYCIARDS to automatically compute the various annuities would not be possible by 1 Jan 87. Again it
appears the proposal was not supported by data/analysis, but rather by [   ]   25X1
perceptions. His assessments and perceptions seemed also to be based on an assumption that his resource level would not change between now and year's end.

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o - The Working Group also proposes that for an estimated eighteen
month period the current manual processes in OP/RD and the manual
processes between OP/RD & OF/RetirePay will have to serve as the
basis for interimly computing and paying all annuities. The Group
proposes that effort begin in August to
  automate the OP/RD processes, including the annuity compute and
data transfer
  processes. However as stated by Bast OP/ADP [   ]   25X1
estimates that this effort will take 18 months.
NOTE: Again the estimate seemed to be based
on the assumption that resource levels would remain static.

o - Lastly, the Working Group proposes that the G responsibility
for computing
  annuities rest solely in OP (vice OF as currently is the case
with CIARDS).
  This proposal seems to underlie their thinking on the Thrift
Plan. (Yet

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while apparently to be an OP administered data base, the "working group"

proposes that OF define the functional requirements for the individual account records for the Thrift Plan. The Group also proposes that OF and OIT search for and assess commercial Thrift packages.) This proposal that OP become the sole point of annuity computation also underlies their intended automation of the OP/RD processes and OP/RD-OF/Pay interfaces. With the transfer of compute responsibility to OP, OP envisions that they will merely provide OF

computed annuity amounts for payment.

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